

**VILLAGE OF CASTOR  
ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2014**

Village of Castor  
Financial Report  
December 31, 2014

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Village of Castor  
Financial Report  
December 31, 2014

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# Village of Castor

P. O. Box 216  
Castor, LA 71016

## MANAGEMENT'S DISCUSSION AND ANALYSIS for the Year Ended December 31, 2014

This section of the Village of Castor's (hereafter referred to as the Village) annual financial report presents an overview and analysis of the Village's financial activities for the year ended December 31, 2014. The intent of the MD&A is to look at the Village's financial performance as a whole. It should, therefore be read in conjunction with this report. Certain comparative information is presented to provide an overview of the Village's operations.

### Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village as a whole and presents a longer-term view of the Village's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

#### Government-Wide Financial Statements

- The Statement of Net Position presents all of the Village's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the Village's net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.
- The Statement of Activities presents information showing how the Village's net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

#### Fund Financial Statements

The services provided by the Village are financed through a governmental fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village conducts its day-to-day operations through a governmental fund, the General Fund. These statements provide a short-term view of the Village's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Village.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	2014			2013		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
ASSETS:						
Current Assets	\$197,008	\$ 21,219	\$ 218,227	\$225,840	\$ 39,035	\$ 264,875
Restricted Assets	0	35,935	35,935	0	34,870	34,870
Capital Assets, Net of Accumulated Depreciation	166,460	1,223,040	1,389,500	174,067	1,280,176	1,454,243
Total Assets	<u>\$363,468</u>	<u>\$1,280,194</u>	<u>\$1,643,662</u>	<u>\$399,907</u>	<u>\$1,354,081</u>	<u>\$1,753,988</u>
LIABILITIES:						
Accounts Payable	\$ 1,585	\$ 2,857	\$ 4,442	\$ 2,186	\$ 3,017	\$ 5,203
Customer Deposits Payable	0	12,730	12,730	0	12,837	12,837
Long Term Debt	0	31,000	31,000	0	33,000	33,000
Total Liabilities	<u>\$ 1,585</u>	<u>\$ 46,587</u>	<u>\$ 48,172</u>	<u>\$ 2,186</u>	<u>\$ 48,854</u>	<u>\$ 51,040</u>
NET POSITION:						
Net Investment in Capital Assets	\$166,460	\$1,223,040	\$1,389,500	\$174,067	\$1,247,176	\$1,421,243
Restricted for Debt Service	0	10,567	10,567	0	33,000	33,000
Unrestricted	195,423	0	195,423	223,654	25,051	248,705
Total Net Position	<u>\$361,883</u>	<u>\$1,233,607</u>	<u>\$1,595,490</u>	<u>\$397,721</u>	<u>\$1,305,227</u>	<u>\$1,702,948</u>

## Summary of Statement of Activities

	2014			2013		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
REVENUES:						
Charge for Services	\$ 169	\$ 78,151	\$ 78,320	\$ 93	\$ 79,215	\$ 79,308
General Revenues:						
Taxes	70,199	0	70,199	84,404	0	84,404
Licenses & Permits	24,479	0	24,479	26,488	0	26,488
Lease	1,362	0	1,362	4,152	0	4,152
Miscellaneous	<u>9,497</u>	<u>3,062</u>	<u>12,559</u>	<u>2,006</u>	<u>1,117</u>	<u>3,123</u>
Total Revenues	<u>\$105,706</u>	<u>\$ 81,213</u>	<u>\$186,919</u>	<u>\$117,143</u>	<u>\$ 80,332</u>	<u>\$197,475</u>
EXPENSES:						
Public Safety	\$ 8,960	\$ 0	\$ 8,960	\$ 6,862	\$ 0	\$ 6,862
General Government	95,264	0	95,264	80,821	0	80,821
Operating Expense	<u>0</u>	<u>190,153</u>	<u>190,153</u>	<u>0</u>	<u>134,656</u>	<u>134,656</u>
Total Expenses	<u>\$104,224</u>	<u>\$190,153</u>	<u>\$ 294,377</u>	<u>\$ 87,683</u>	<u>\$134,656</u>	<u>\$222,339</u>
OTHER FINANCING SOURCES (USES):						
Transfers-In	\$ 0	\$ 37,320	\$ 37,320	\$ 0	\$ 3,850	\$ 3,850
Transfers-Out	<u>37,320</u>	<u>0</u>	<u>(37,320)</u>	<u>3,850</u>	<u>0</u>	<u>(3,850)</u>
Total Other Financing Sources (Uses)	<u>\$ 37,320</u>	<u>\$ 37,320</u>	<u>\$ 0</u>	<u>\$ 3,850</u>	<u>\$ 3,850</u>	<u>\$ 0</u>
Change in Net Position	<u>\$ (35,838)</u>	<u>\$ (71,620)</u>	<u>\$ (107,458)</u>	<u>\$ 25,610</u>	<u>\$ (50,474)</u>	<u>\$ (24,864)</u>

## Governmental Activities

- The Village's assets exceeded its liabilities by \$361,883 (net position) for the year. This is a decrease of \$35,838 from the previous year.
- Unrestricted net position of \$195,423 represents the portion available to maintain the Village's obligation to both citizens and creditors.

## Business Type Activities

- The Water and Sewer Fund experienced a net loss of \$71,620 for the year.

### General Fund Budgetary Highlights

At year end, actual revenues were \$309 more than budgeted revenues and actual expenditures were \$3,785 less than budgeted expenditures.

### Economic Factors and Next Year's Budget

The Village has prepared its 2015 budget for the General Fund on the assumption that revenues and expenditures will remain fairly constant next year. Both revenues and expenditures for the Utility Enterprise Fund should also remain constant during the next year.

### Contacting the Village

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Village at P. O. Box 216, Castor, LA 71016.

# Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Mayor and Board of Aldermen  
Village of Castor  
P. O. Box 216  
Castor, LA 71016

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and major fund of the Village of Castor, as of and for the year ended December 31, 2014, which collectively comprise the Village's basic financial statements as listed in the Table of Contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Village's personnel. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the Village is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The Management's Discussion and Analysis, budgetary comparison information, Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, and Schedule Reporting Fraud and Misappropriations on pages 1 through 4, and 32 through 35, are presented for purposes of additional

analysis. Such information, although not a required part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, or Louisiana State Law, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The information included in the budgetary comparison has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto. The information included in the Management's Discussion and Analysis, Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, and Schedule Reporting Fraud and Misappropriations have not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but were compiled from information that is the representation of management. We have not audited or reviewed the management's discussion and analysis, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer and Schedule Reporting Fraud and Misappropriations and accordingly, we do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated May 29, 2015, on the results of our agreed-upon procedures on page 36 through 38. Pages 39 through 43 present the Louisiana Attestation Questionnaire, management letter, management's response, and status of prior year finding.

Johnson, Thomas & Cunningham, CPA's  
Johnson, Thomas & Cunningham, CPA's

May 29, 2015  
Natchitoches, LA 71457

## **BASIC FINANCIAL STATEMENTS**

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

Village of Castor  
Statement of Net Position  
December 31, 2014

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash & Cash Equivalents	\$192,176	\$ 16,040	\$ 208,216
Revenue Receivable	<u>4,832</u>	<u>5,179</u>	<u>10,011</u>
Total Current Assets	<u>\$197,008</u>	<u>\$ 21,219</u>	<u>\$ 218,227</u>
Noncurrent Assets:			
Restricted Assets:			
Customer Deposits	\$ 0	\$ 4,461	\$ 4,461
Bond Covenant Accounts	0	31,474	31,474
Capital Assets (net)	<u>166,460</u>	<u>1,223,040</u>	<u>1,389,500</u>
Total Noncurrent Assets	<u>\$166,460</u>	<u>\$1,258,975</u>	<u>\$1,425,435</u>
Total Assets	<u>\$363,468</u>	<u>\$1,280,194</u>	<u>\$1,643,662</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	\$ 1,585	\$ 1,857	\$ 3,442
Accrued Interest	0	1,000	1,000
Current Portion - Long Term Debt	<u>0</u>	<u>2,000</u>	<u>2,000</u>
Total Current Liabilities	<u>\$ 1,585</u>	<u>\$ 4,857</u>	<u>\$ 6,442</u>
Noncurrent Liabilities:			
Customer Deposits	\$ 0	\$ 12,730	\$ 12,730
Long-Term Debt	<u>0</u>	<u>29,000</u>	<u>29,000</u>
Total Noncurrent Liabilities	<u>\$ 0</u>	<u>\$ 41,730</u>	<u>\$ 41,730</u>
Total Liabilities	<u>\$ 1,585</u>	<u>\$ 46,587</u>	<u>\$ 48,172</u>
NET POSITION:			
Net Investment in Capital Assets	\$166,460	\$1,223,040	\$1,389,500
Restricted for Debt Service	0	10,567	10,567
Unrestricted	<u>195,423</u>	<u>0</u>	<u>195,423</u>
Total Net Position	<u>\$361,883</u>	<u>\$1,233,607</u>	<u>\$1,595,490</u>

See accompanying notes and independent accountant's review report.

Village of Castor  
Statement of Activities  
December 31, 2014

Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 95,264	\$ 0	\$0	\$0	\$ (95,264)	\$ 0	\$ (95,264)
Public Safety	<u>8,960</u>	<u>169</u>	<u>0</u>	<u>0</u>	<u>(8,791)</u>	<u>0</u>	<u>(8,791)</u>
Total Governmental Activities	<u>\$104,224</u>	<u>\$ 169</u>	<u>\$0</u>	<u>\$0</u>	<u>\$(104,055)</u>	<u>\$ 0</u>	<u>\$ (104,055)</u>
Business-Type Activities:							
Sewer	<u>\$190,153</u>	<u>\$78,151</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ 0</u>	<u>\$(112,002)</u>	<u>\$ (112,002)</u>
Total Government	<u>\$294,377</u>	<u>\$78,320</u>	<u>\$0</u>	<u>\$0</u>	<u>\$(104,055)</u>	<u>\$(112,002)</u>	<u>\$ (216,057)</u>
General Revenues:							
Taxes					\$ 70,199	\$ 0	\$ 70,199
Licenses & Permits					24,479	0	24,479
Lease					1,362	0	1,362
Interest					182	62	244
Miscellaneous					<u>9,315</u>	<u>3,000</u>	<u>12,315</u>
Total General Revenues Before Transfers					\$ 105,537	\$ 3,062	\$ 108,599
Transfers-In					0	37,320	37,320
Transfers-Out					<u>(37,320)</u>	<u>0</u>	<u>(37,320)</u>
Total General Revenues and Transfers					<u>\$ 68,217</u>	<u>\$ 40,382</u>	<u>\$ 108,599</u>
Change in Net Position					\$ (35,838)	\$ (71,620)	\$ (107,458)
Net Position January 1, 2014					<u>397,721</u>	<u>1,305,227</u>	<u>1,702,948</u>
Net Position December 31, 2014					<u>\$ 361,883</u>	<u>\$1,233,607</u>	<u>\$1,595,490</u>

See accompanying notes and independent accountant's review report.

## FUND FINANCIAL STATEMENTS

Village of Castor  
Balance Sheet-Governmental Fund  
General Fund  
December 31, 2014

ASSETS:

Cash & Cash Equivalents	\$192,176
Revenue Receivable	<u>4,832</u>
Total Assets	<u>\$197,008</u>

LIABILITIES:

Accounts Payable	\$ 1,585
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FUND BALANCE:

Unassigned	<u>195,423</u>
Total Liabilities and Fund Balance	<u>\$197,008</u>

See accompanying notes and independent accountant's review report.

Village of Castor  
Reconciliation of the Governmental Fund  
Balance Sheet to the Statement of Net Position  
December 31, 2014

Total Fund Balance for the Governmental Fund at December 31, 2014	\$ 195,423
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Total Net Position reported for Governmental Activities  
in the Statement of Net Assets is different because:

Capital Assets used in Governmental Activities are not  
financial resources and, therefore, are not reported in the  
Governmental Fund Balance Sheet. Those assets consist of:

Land, Equipment, Buildings, and Vehicles	291,619
Less: Accumulated Depreciation	<u>(125,159)</u>

Total Net Position of Governmental Activities at December 31, 2014	<u>\$ 361,883</u>
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See accompanying notes and independent accountant's review report.

Village of Castor  
Statement of Revenues, Expenditures and Changes in Fund Balance  
General Fund  
Year Ended December 31, 2014

Revenues:	
Taxes	\$ 70,199
Licenses and Permits	24,479
Fines	169
Miscellaneous-	
Lease	1,362
Other	3,647
Rent	<u>5,850</u>
Total Revenues	<u>\$105,706</u>
Expenditures:	
General Government	
Current-	
Personnel Costs	\$ 21,668
Per Diem	1,800
Maintenance & Repair	685
Insurance	13,480
Office	15,847
Utilities	15,673
Repay Property Tax	18,505
Public Safety	<u>8,960</u>
Total Expenditures	<u>\$ 96,618</u>
Excess of Revenues over Expenditures	\$ 9,088
Other Financing Uses	
Transfers-Out	<u>(37,320)</u>
Deficiency of Revenues over Expenditures and Other Uses	\$ (28,232)
Fund Balance-Beginning of Year	<u>223,655</u>
Fund Balance-End of Year	<u>\$195,423</u>

See accompanying notes and independent accountant's review report.

Village of Castor  
Reconciliation of the Statement of Revenues, Expenditures  
and Change in Fund Balance of the Governmental Fund  
to the Statement of Activities  
for the Year Ended December 31, 2014

Total Net Change in Fund Balance at December 31, 2014, per Statement of Revenues, Expenditures and Change in Fund Balance	\$(28,232)
The Change in Net Position reported for Governmental Activities in the Statement of Activities is different because:	
Depreciation Expense on capital assets is reported in the government-wide financial statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is	<u>(7,606)</u>
Total change in Net Position at December 31, 2014, per Statement of Activities	<u>\$(35,838)</u>

See accompanying notes and independent accountant's review report.

Village of Castor  
Statement of Net Position  
Proprietary Fund  
Year Ended December 31, 2014

ASSETS:

Current Assets:

Cash & Cash Equivalents	\$ 16,040
Revenue Receivable	<u>5,179</u>
Total Current Assets	\$ <u>21,219</u>

Noncurrent Assets:

Restricted Assets-

Customer Deposits	\$ 4,461
Bond Covenant Accounts	31,474

Capital Assets-

Land	11,250
Other Capital Assets, net of depreciation	<u>1,211,790</u>

Total Noncurrent Assets	\$ <u>1,258,975</u>
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Total Assets	\$ <u>1,280,194</u>
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LIABILITIES:

Current Liabilities:

Accounts Payable	\$ 1,857
Current Portion of Long-Term Debt	2,000
Accrued Interest	<u>1,000</u>

Total Current Liabilities	\$ <u>4,857</u>
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Noncurrent Liabilities:

Long-Term Debt	\$ 29,000
Payable from Restricted Assets- Customer Deposits	<u>12,730</u>

Total Noncurrent Liabilities	\$ <u>41,730</u>
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Total Liabilities	\$ <u>46,587</u>
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NET POSITION:

Net Investment in Capital Assets	\$1,192,040
Restricted for Debt Service	31,000
Unrestricted	<u>10,567</u>

Total Net Position	\$ <u>1,233,607</u>
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See accompanying notes and independent accountant's review report.

Village of Castor  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Fund  
For the Year Ended December 31, 2014

OPERATING REVENUES:	
Charges for Services	\$ <u>78,151</u>
OPERATING EXPENSES:	
Depreciation	\$ 57,136
Personnel	38,605
Utilities	11,335
Repairs & Maintenance	58,991
Supplies	6,389
Office	11,407
Testing	<u>4,640</u>
Total Operating Expenses	\$ <u>188,503</u>
Operating Income (Loss)	\$ <u>(110,352)</u>
OTHER REVENUES AND EXPENSES:	
Interest Income	\$ 62
Interest Expense	(1,650)
Other Income	<u>3,000</u>
Total Other Revenues and Expenses	\$ <u>1,412</u>
Net Loss before Contributions and Transfers	\$ (108,940)
Transfers-In	<u>37,320</u>
Change in Net Position	\$ (71,620)
Net Position-Beginning of Year	<u>1,305,227</u>
Net Position-End of Year	<u>\$1,233,607</u>

See accompanying notes and independent accountant's review report.

Village of Castor  
Statement of Cash Flows  
Proprietary Fund  
December 31, 2014

Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 78,306
Cash Received from Meter Deposits	3,672
Cash Paid to Suppliers	(92,922)
Cash Paid to Employees	(38,605)
Cash Refunds of Meter Deposits	<u>(3,778)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (53,327)</u>
Cash Flows from Noncapital Financing Activities:	
Interfund Transfers-In	\$ 37,320
Miscellaneous Income	<u>3,000</u>
Net Cash Provided by Noncapital Financing Activities	<u>\$ 40,320</u>
Cash Flows from Capital and Related Financing Activities:	
Principal Paid on Capital Debt	\$ (2,000)
Interest Paid on Capital Debt	<u>(1,650)</u>
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>\$ (3,650)</u>
Cash Flows from Investing Activities:	
Interest and Dividends	\$ <u>62</u>
Net Decrease in Cash and Cash Equivalents	\$ (16,595)
Cash and Cash Equivalents at Beginning of Year	<u>68,570</u>
Cash and Cash Equivalents at End of Year	<u>\$ 51,975</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Income (Loss) from Operations	\$(110,352)
ADJUSTMENTS TO RECONCILE INCOME FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Depreciation	57,136
Changes in Assets and Liabilities-	
(Increase) Decrease in Accounts Receivable	155
(Increase) Decrease in Meter Deposits	(106)
Increase (Decrease) in Accounts Payable	<u>(160)</u>
Net Cash (Used) Provided by Operating Activities	<u>\$ (53,327)</u>

See accompanying notes and independent accountant's review report.

## NOTES TO FINANCIAL STATEMENTS

Village of Castor  
Notes to Financial Statements  
December 31, 2014

Introduction:

Pursuant to the provisions of Section 11, of Act No. 136, of the Session Acts of the General Assembly of the State of Louisiana, approved July 13, 1898, and Acts amendatory thereof, the Village of Castor, Louisiana, (Village) was declared a corporation by Proclamation executed by Governor John M. Parker on June 26, 1920. The Village is located in Ward 3 of Bienville Parish, State of Louisiana, and is managed by an elected Mayor and three aldermen. The Village provides a basic range of municipal services. These include police protection, public works (streets and lights), public improvements, sewer/water services, planning and zoning, social, cultural and general administration services. Management is compensated for services rendered to the Village. The Village has seven employees.

1. Summary of Significant Accounting Policies:

A. REPORTING ENTITY-

The Village is the basic level of government which has financial accountability and control over all activities related to the Village operations and services provided. The Village is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since the Village Mayor and Board of Aldermen are elected by the public and have decision making authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14, which are included in the Village's reporting entity.

The financial statements of the Village of Castor, Louisiana are prepared in accordance with generally accepted accounting principles (GAAP). The Village of Castor's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

B. BASIS OF PRESENTATION-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Net Position presents the governmental-type activities on a consolidated basis, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

Village of Castor  
Notes to Financial Statements  
December 31, 2014

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

C. FUND ACCOUNTING-

The accounts of the Village are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The Village maintains two funds. One is categorized as a governmental fund and one as a proprietary fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. The Village considers both funds to be major.

The funds of the Village are described below:

Governmental Fund

General Fund

The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Proprietary Fund

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Village's enterprise fund is the Utility Fund.

Village of Castor  
Notes to Financial Statements  
December 31, 2014

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Village as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. CASH AND INTEREST-BEARING DEPOSITS-

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Village.

F. CAPITAL ASSETS-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Village of Castor  
Notes to Financial Statements  
December 31, 2014

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment and vehicles	3-13 years
Utility system and improvements	10-50 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

G. RESTRICTED ASSETS-

Restricted assets include cash, interest-bearing deposits, and investments of the proprietary fund that are legally restricted as to their use. The restricted assets are related to utility meter deposits and bond covenants.

H. COMPENSATED ABSENCES-

There is no formal leave policy for the Village, therefore no entry is made to record compensated absences.

I. EQUITY CLASSIFICATIONS-

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

Village of Castor  
Notes to Financial Statements  
December 31, 2014

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund, the Village's only governmental fund, has an unassigned fund balance of \$195,423. If applicable, the Village would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

J. ESTIMATES-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenue, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Village of Castor  
Notes to Financial Statements  
December 31, 2014

K. OPERATING REVENUES AND EXPENSES-

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing noncapital financing, or investing activities.

L. EXPENDITURES/EXPENSES-

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character  
Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

M. BUDGET-

Prior to the beginning of each fiscal year, the Village adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

2. Cash and Cash Equivalents:

The cash and cash equivalents of the Village of Castor are subject to the following risk:

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Village will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Village that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Village's name.

Bank account balances at December 31, 2014, totaled \$168,975, and were fully secured by FDIC Insurance.

Village of Castor  
Notes to Financial Statements  
December 31, 2014

3. Restricted Assets:

The Enterprise Fund has restricted assets as follows:

Customer Deposits	\$ 4,461
Bond Covenant Accounts-	
Depreciation Contingency	5,373
Bond Reserve	7,405
Sinking Fund	<u>18,696</u>
Total	<u>\$35,935</u>

Certain cash and cash equivalents of the Enterprise Fund are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The specific restrictions are as follows:

The Enterprise Fund revenue bond is secured and payable in principal and interest exclusively by a pledge of the income and revenues of the Enterprise Fund Sewer System (System), subject only to the prior payment of the reasonable and necessary expenses of operating and maintaining the system.

All of the income and revenues to be earned by the operation of the System shall be deposited into a separate and special bank account designated as the "Sewer Revenue Fund". This bank account shall be maintained for the following express purposes:

- a. The payment of all reasonable and necessary expenses of operating and maintaining the System.
- b. Monthly transfer of (1/12th) of the total principal and interest requirement falling due in the ensuing year to an account designated as the "Sewer Revenue Bond and Interest Sinking Fund". Interest earned on the Sewer Revenue Bond and Interest Sinking Fund shall be deposited in the Sewer Revenue Fund.
- c. Monthly transfer of (5%) of the amount to be paid into the aforesaid Sinking Fund provided for in paragraph (b) above, to an account designated as the "Sewer Reserve Fund". Such transfers to continue until the Sewer Reserve Fund has accumulated a balance equal to the highest combined principal and interest on the Bonds falling due in any year. Interest earned on the Sewer Reserve Fund shall be deposited in the Sewer Revenue Fund.

Village of Castor  
Notes to Financial Statements  
December 31, 2014

- d. Monthly transfer of twenty-nine dollars (\$29.00) to an account designated as the "Depreciation and Contingency Fund" to be used for extensions, additions, improvements, replacements, and system depreciation necessary to properly operate the System. Interest earned on the Depreciation and Contingency account shall be added to the Depreciation and Contingency account.

4. Property Taxes:

The Village levies taxes on real and business personal property located within its boundaries. Property taxes are levied by the Village on property values assessed by the Bienville Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

For the year ended December 31, 2014, 7 mills were levied on property in the Village for general purposes per La. Constitution Article VI, Part II, Section 27(A).

The property tax calendar is as follows:

Assessment Date	January 1
Levy Date	June 1
Tax Bills Mailed	November 15
Total Taxes are Due	December 31
Penalties and Interest are Added	January 1
Lien Date	No Set Policy
Tax Sale	No Set Policy

Assessed values are established by the Bienville Parish Tax Assessor each year on a uniform basis at the following percent of fair market value:

Land	10%
Residential	10%
Industrial	15%
Machinery	15%
Commercial	15%
Public Service (excluding land)	25%

A reevaluation of all property is required to be completed no less than every four years. A reevaluation was completed for the tax roll of January 1, 2012.

For the year ended December 31, 2014, taxes of 7 mills were levied on property and were dedicated as follows:

General Corporate Purposes	7 mills
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Village of Castor  
Notes to Financial Statements  
December 31, 2014

5. Capital Assets:

Capital asset activity for the year ended December 31, 2014, is as follows:

<u>Governmental Activities</u>	<u>Balance 01-01-14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-14</u>
Capital Assets Depreciated-				
Building	\$238,135	\$ 0	\$0	\$238,135
Office Furniture, Fixtures & Equipment	16,082	0	0	16,082
Vehicles	22,402	0	0	22,402
Parking Lot	<u>15,000</u>	<u>0</u>	<u>\$0</u>	<u>15,000</u>
Total Assets	<u>\$291,619</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$291,619</u>
Less, Accumulated Depreciation-				
Building	\$ 71,625	\$ 6,799	\$0	\$ 78,424
Office Furniture, Fixtures & Equipment	16,025	57	0	16,082
Vehicles	22,403	0	0	22,403
Parking Lot	<u>7,500</u>	<u>750</u>	<u>0</u>	<u>8,250</u>
Total Accumulated Depreciation	<u>\$117,553</u>	<u>\$ 7,606</u>	<u>\$0</u>	<u>\$125,159</u>
Net Capital Assets	<u>\$174,066</u>	<u>\$ (7,606)</u>	<u>\$0</u>	<u>\$166,460</u>
<u>Business-Type Activities</u>	<u>Balance 01-01-14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-14</u>
Capital Assets Not Depreciated-				
Land	\$ 11,250	\$ 0	\$0	\$ 11,250
Capital Assets Depreciated-				
Water System	759,138	0	0	759,138
Sewer System	891,049	0	0	891,049
Sewer System - 2007	559,339	0	0	559,339
Building	6,950	0	0	6,950
Tanks	<u>18,050</u>	<u>0</u>	<u>0</u>	<u>18,050</u>
Total Assets	<u>\$2,245,776</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$2,245,776</u>

Village of Castor  
Notes to Financial Statements  
December 31, 2014

Business-Type Activities	Balance 01-01-14	Additions	Deletions	Balance 12-31-14
Less, Accumulated Depreciation-				
Water System	\$ 405,836	\$ 18,978	\$0	\$ 424,814
Sewer System	472,239	22,277	0	494,516
Sewer System - 2007	83,902	13,983	0	97,885
Buildings	1,216	695	0	1,911
Tanks	<u>2,407</u>	<u>1,203</u>	<u>0</u>	<u>3,610</u>
Total Accumulated Depreciation	\$ <u>965,600</u>	\$ <u>57,136</u>	\$0	\$ <u>1,022,736</u>
Net Capital Assets	\$ <u>1,280,176</u>	\$ <u>(57,136)</u>	\$0	\$ <u>1,223,040</u>

Depreciation expense of \$7,606 was charged to the general government function, and \$57,136 was charged to the business-type activities.

6. Long-Term Liabilities:

Revenue Bonds-

Revenue bonds are accounted for in the Enterprise Fund and consist of revenue bonds of the Village of Castor, LA - \$70,000.00, 5% serial bonds dated July 15, 1985. Annual principal and interest payments are due through July 15, 2023. The principal balance at December 31, 2014, is \$31,000. During 2014, interest of \$1,650 was charged on the revenue bonds. The annual principal requirements for the remaining years are as follows:

July 15, 2015	\$ 2,000
July 15, 2016	2,000
July 15, 2017	2,000
July 15, 2018	2,000
July 15, 2019	2,000
July 15, 2020-2023	<u>21,000</u>
Total	<u>\$31,000</u>

The following is a summary of revenue bond transactions of the Village for the year ended December 31, 2014:

	<u>Revenue Bonds</u>
Bonds Payable at January 1, 2014	\$33,000
Less, Bonds Retired	<u>(2,000)</u>
Bonds Payable at December 31, 2014	<u>\$31,000</u>

Village of Castor  
Notes to Financial Statements  
December 31, 2014

7. Compensation Paid to the Board of Aldermen:

During 2014, the following amounts were paid to the Board of Aldermen:

Charles Harper	\$ 600
Beth Warren	600
Mark Plunkett	<u>600</u>
Total	<u>\$1,800</u>

8. Receivables:

The following is a summary of receivables at December 31, 2014:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Property Tax	\$ 757	\$ 0	\$ 757
Sales Tax	4,075	0	4,075
Water & Sewer Sales	<u>0</u>	<u>5,179</u>	<u>5,179</u>
Total	<u>\$4,832</u>	<u>\$5,179</u>	<u>\$10,011</u>

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

9. Subsequent Events:

Management has evaluated events through May 29, 2015, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED  
SUPPLEMENTARY INFORMATION

Village of Castor  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2014

	Budget			Variance Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES:				
Ad Valorem	\$ 10,000	\$ 9,284	\$ 5,252	\$(4,032)
Sales Tax	43,000	56,087	58,470	2,383
Franchise Fees	0	0	6,477	6,477
Licenses & Permits	36,500	31,305	24,479	(6,826)
Fines	300	169	169	0
Intergovernmental- State Grant	25,000	0	0	0
Miscellaneous- Lease/Rent	4,700	8,530	7,212	(1,318)
Other	<u>525</u>	<u>22</u>	<u>3,647</u>	<u>3,625</u>
Total Revenues	<u>\$120,025</u>	<u>\$105,397</u>	<u>\$105,706</u>	<u>\$ 309</u>
EXPENDITURES:				
General Government- Current-				
Personnel Costs	\$ 27,250	\$ 26,580	\$ 21,668	\$ 4,912
Per Diem	0	0	1,800	(1,800)
Maintenance & Repair	200	643	685	(42)
Insurance	12,500	13,480	13,480	0
Office	30,095	17,715	15,847	1,868
Utilities	18,000	16,684	15,673	1,011
Repay Property Tax	0	18,556	18,505	51
Public Safety	<u>6,765</u>	<u>6,745</u>	<u>8,960</u>	<u>(2,215)</u>
Total Expenditures	<u>\$ 94,810</u>	<u>\$100,403</u>	<u>\$ 96,618</u>	<u>\$ 3,785</u>
Excess of Revenues over Expenditures	\$ 25,215	\$ 4,994	\$ 9,088	\$ 4,094
OTHER FINANCING Uses:				
Transfers-Out	<u>(25,000)</u>	<u>(37,320)</u>	<u>(37,320)</u>	<u>0</u>
Excess (Deficiency) of Revenues over Expenditures and Other Uses	\$ 215	\$ (32,326)	\$ (28,232)	\$ 4,094
Fund Balance-Beginning of Year	<u>223,655</u>	<u>223,655</u>	<u>223,655</u>	<u>0</u>
Fund Balance-End of Year	<u>\$223,870</u>	<u>\$191,329</u>	<u>\$195,423</u>	<u>\$ 4,094</u>

See independent accountant's review report.

Village of Castor  
Schedule of Compensation, Benefits and Other Payments to  
Agency Head or Chief Executive Officer  
For the Year Ended December 31, 2014

Agency Head Name: Vicki Pickett, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$4,800
Benefits-Insurance	0
Benefits-Retirement	0
Deferred Compensation	0
Benefits-Social Security	298
Benefits-Medicare	70
Car allowance	1,400
Vehicle provided by government	0
Cell phone	0
Dues	0
Vehicle rental	0
Per diem	0
Reimbursements	154
Travel	0
Registration fees	0
Conference travel	0
Housing	0
Unvouchered expenses	0
Special meals	0
Other	<u>0</u>
Total	<u>\$6,722</u>

See independent accountant's review report.

Reporting Fraud and Misappropriations

Agency Name: Village of Castor

Fiscal Year End: December 31, 2014

<u>Element of Finding</u>	<u>Response</u>
1. A general statement describing the fraud or misappropriation that occurred.	The Mayor discovered that certain utility payments were not being properly recorded nor were correct amounts being deposited in the bank. In addition, petty cash was also involved.
2. A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment).	The misappropriation involved utility receipts and petty cash.
3. The amount of funds or approximate value of assets involved.	Per conversation with the Mayor, the total amount of funds misappropriated has not been determined.
4. The department or office in which the fraud or misappropriation occurred.	Village Hall
5. The period of time over which the fraud or misappropriation occurred.	Per conversation with the Mayor, the time period involved is the calendar year 2014.
6. The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation.	Village employee
7. The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated.	N/A
8. Is the person who committed or is believed to have committed the act of fraud still employed by the agency?	No, employee has been terminated.
9. If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?	N/A
10. Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?	The Village Chief of Police was notified when the loss was discovered by the Mayor.
11. What is the status of the investigation at the date of the auditor's/accountant's report?	The Mayor has determined that the Village has reached an end to the investigation of this matter and the Council will be asked to entertain a motion to cease any further action.

Reporting Fraud and Misappropriations  
(continued)

Agency Name: Village of Castor

Fiscal Year End: December 31, 2014

<u>Element of Finding</u>	<u>Response</u>
12. If the investigation is complete and the person believed to have committed the act or fraud or misappropriation has been identified, has the agency filed charges against that person?	No charges have been filed.
13. What is the status of any related adjudication at the date of the auditor's/accountant's report?	N/A
14. Has restitution been made or has an insurance claim been filed?	Per the Mayor, some restitution has been made in the amount of \$554.00. No insurance claim has been filed.
15. Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only)	Both the Legislative Auditor and the Bienville Parish District Attorney have been notified, in writing, as required by state law.
16. Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner?	No.
17. If the answer to the last questions is "no", described the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner.	Daily deposits not made, petty cash not reviewed in a timely manner and lack of separation of duties.
18. Management's plan to ensure that the fraud or misappropriation does not occur in the future.	Per conversation with the Mayor, the Village will institute new procedures to include daily deposit of funds, review of petty cash on a weekly basis and changes to the method of processing receipts and changes in the accounting program.

# Johnson, Thomas & Cunningham

## Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation

Roger M. Cunningham, CPA – A Professional Corporation

Jessica H. Broadway, CPA – A Professional Corporation

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### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Mayor and Board of Aldermen  
Village of Castor  
P. O. Box 216  
Castor, LA 71016

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Village of Castor and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Castor's compliance with certain laws and regulations during the year ended December 31, 2014, included in the Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### PUBLIC BID LAW

1. Select all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures found to be in violation.

#### CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1324 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedures (2) as immediate family members.

None found.

#### BUDGETING

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. There was one amendment during the year.

6. Trace the budget and amendment adoption to the minute book.

We traced the adoption of the original budget and amendment to the minute book.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

Both actual revenues and expenditures were within the 5% variance allowed.

#### ACCOUNTING AND REPORTING

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee:

We examined supporting documentation for each of the six disbursements and found that the payments were for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account:

Each disbursement appeared to be coded correctly.

- (c) determine whether payments received approval from proper authorities:

Inspection of supporting documentation showed written approval. In addition, non-recurring entries were discussed and approved in the minutes.

## MEETINGS

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Village is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building. Management has asserted that such documents were properly posted.

## DEBT

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or any other indebtedness which have not been approved by the State Bond Commission.

We inspected copies of all bank deposits for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds, or other indebtedness that had not been approved by the State Bond Commission.

## ADVANCES AND BONUSES

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances, or gifts.

None found.

Our prior report, dated June 12, 2014, did not contain any comments or unresolved matters.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Castor and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Johnson, Thomas & Cunningham, CPA's*  
Johnson, Thomas & Cunningham, CPA's

May 29, 2015  
Natchitoches, Louisiana

VILLAGE OF CASTOR  
LOUISIANA ATTESTATION QUESTIONNAIRE

Johnson, Thomas & Cunningham, CPA's  
321 Bienville Street  
Natchitoches, LA 71457

In connection with your review of our financial statements as of December 31, 2014, and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 31, 2014.

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes ☒ No ☐

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes ☒ No ☐

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes ☒ No ☐

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463, where applicable.

Yes ☒ No ☐

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes ☒ No ☐

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief financial officer.

Yes ☒ No ☐

#### Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:1 \_\_\_\_\_ 1 through 42:13.

Yes ☒ No ☐

#### Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes ☒ No ☐

#### Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

Signed by and title

Vicki S. Pickett - Mayor

Village of Castor  
Status of Prior Year Finding  
June 30, 2014

For the year ended December 31, 2014, the Village had collected property tax to pay general obligation bonds. However, these bonds had previously been paid in full. At December 31, 2014, the Village had repaid the taxes collected in error; therefore, this finding is cleared.